



United States
Department of Energy

WESTERN AREA
POWER ADMINISTRATION

Desert Southwest
Regional Office

CONTRACT

AMENDMENT NO. 1

TO

[INTERAGENCY AGREEMENT] CONTRACT NO. _____

BETWEEN

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
Desert Southwest Regional Office
Parker-Davis Project

AND

[CONTRACTOR]

FOR

ELECTRIC SERVICE

AMENDMENT NO. 1

TO

[INTERAGENCY AGREEMENT] CONTRACT NO. _____

BETWEEN

**UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
Desert Southwest Regional Office
Parker-Davis Project**

AND

[CONTRACTOR]

FOR

ELECTRIC SERVICE

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AMENDMENT NO. 1

TO

[INTERAGENCY AGREEMENT]/ CONTRACT NO. _____

BETWEEN

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
Desert Southwest Regional Office
Parker Davis Project

AND

CONTRACTOR

FOR

ELECTRIC SERVICE

1. **PREAMBLE:** This Contract Amendment No. 1 (Amendment) is made this ____ day of

_____, 2004, pursuant to the following Acts of Congress: the Reclamation Act,

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approved June 17, 1902 (32 Stat. 388); the Act of March 4, 1921 (41 Stat. 1404, 43

U.S.C. 395), popularly referred to as the Contributed Funds Act; the Interior Department

Appropriation Act for 1928, Act of January 12, 1927 (44 Stat. 934); the Reclamation

Project Act of 1939, dated August 4, 1939 (53 Stat. 1187, 43 U.S.C. 485); the

Consolidated Parker Dam Power Project and Davis Dam Project Act, dated May 28,

1954 (68 Stat. 143); the Department of Energy Organization Act, Act of August 4, 1977

(91 Stat. 565, 42 U.S.C. 7101); the Money and Finance Act, commonly referred to as the

Economy Act, dated September 13, 1982 (Public Law 97-258, 31 USC 1535); the Energy

Policy Act of 1992, dated October 24, 1992 (Public Law 102-486); and acts amendatory

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1535,

or supplementary to the forgoing Acts, between the UNITED STATES OF AMERICA,

Department of Energy, acting by and through the Western Area Power Administration

(Western), and _____ (Contractor) as part of Contract No. _____ (Original Contract), as may be amended, pursuant to the same authorities as the Original Contract, and subject to all of the provisions of the Original Contract, except as herein amended, each of which may be referred to herein individually as Party and collectively as Parties.

2. **EXPLANATORY RECITALS:**

2.1 Western and Contractor entered into the Original Contract for the sale of long-term firm electric service, dated _____, pursuant to Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (49 FR 50582, December 28, 1984; corrections, 50 FR 7823, February 26, 1985) and Final Allocation Criteria and Allocation of Capacity and Associated Energy from the Parker-Davis Project (52 FR 3833, July 29, 1987).

2.2 Western adopted the Energy Planning and Management Program (EPAMP), effective November 20, 1995, which consisted of two components: 1) a requirement that all Parker-Davis Project (PDP) firm electric service contractors prepare integrated resource plans (IRP), and 2) a Power Marketing Initiative (PMI) under which Western may extend a portion of Federal resource commitments to its existing contractors.

2.3 In the Federal Register Notice (67 FR 51580), dated August 8, 2002 (FRN), Western proposed application of the PMI to the PDP, and the public was given opportunities to discuss and comment on Western's proposal.

2.4 After evaluating all comments received, Western announced, in the Federal Register (68 FR 23709), dated May 5, 2003 (Final FRN), its decision to extend contracts to PDP firm electric service contractors for twenty (20) years, beginning

October 1, 2008, and its decision to require payment in advance for PDP firm electric service, as provided in Section 6 herein.

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2.5 The Parties now desire to implement the results of the Final FRN for application of the EPAMP PMI, payment in advance for PDP firm electric service, and conforming modifications, including extension of the Original Contract through September 30, 2028.

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2.6 Western desires to implement the provisions of this Amendment upon execution by the Parties, except that modification of the current Contract Rate of Delivery (CROD), as set forth in Exhibit A-1 will not become effective until October 1, 2008, as provided in Section [9] [10] of this Amendment.

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3. **AGREEMENT**: The Parties agree to the terms and conditions set forth herein.

4. **MODIFICATION OF SECTION 3 OF THE ORIGINAL CONTRACT (TERM OF CONTRACT)**: Subsection 3.1 of the Original Contract is amended to extend the term to September 30, 2028 by the deletion of the termination year “2008” and the substitution of the termination year “2028” therefore.

5. [A] **MODIFICATION OF SECTION 5 OF THE ORIGINAL CONTRACT (FIRM ELECTRIC SERVICE)**: Section 5 of the Original Contract is amended in the following manner:

5.1 Subsections 5.1.1 and 5.1.2 of Section 5 are deleted in their entirety and replaced by the following:

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“5.1.1 The maximum aggregate rate of delivery for all points of delivery in any monthly billing period shall not exceed the CROD established for that season. The CROD will be available in any hour within the billing period. Western’s seasonal CROD to the

Contractor shall be as set forth in Exhibit A ~~or Exhibit A-1, as the case~~
~~may be.~~

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5.1.2 Western's Seasonal Energy: Obligations to the

Contractor shall be equal to the product of the Contractor's CROD multiplied by 3,441 kWh per kW in the Summer Season and the product of the Contractor's CROD multiplied by 1,703 kWh per kW in the Winter Season and shall be as set forth in Exhibit A ~~or Exhibit A-1, as the case~~
~~may be.~~ Except as otherwise agreed by the Parties in writing, the Contractor may not transfer energy from season to season."

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5.2 Subsection 5.4 is deleted in its entirety and replaced by the following:

"5.4 Point(s) of Delivery, Voltage(s), and Loss Adjustments:

Electric service furnished to the Contractor will be delivered at the point(s) and voltage(s) set forth in Exhibit B attached hereto. Any transmission costs and associated losses incurred to deliver said electric service to the PDP point(s) of delivery described in Exhibit B shall be the responsibility of Western. Any transmission costs and associated losses incurred to deliver electric service beyond the PDP point(s) of delivery to the point(s) at which the facilities of the Contractor or the Contractor's transmission provider are connected to the facilities of Western shall be the responsibility of the Contractor. If Western determines that additional facilities are necessary to deliver electric service beyond the PDP point(s) of delivery to the point at which the facilities of the Contractor or the Contractor's transmission provider are connected to the facilities of Western, the Contractor shall pay a monthly charge to Western for

capacity reserved in such facilities as specified in an exhibit made a part of this Contract. Western may waive the monthly charge provided that the Contractor or the Contractor's transmission provider pays a monthly interconnection charge for use of such facilities."

5. [B] **MODIFICATION OF SECTION 5 OF THE ORIGINAL CONTRACT**

(WITHDRAWABLE AND NONWITHDRAWABLE FIRM ELECTRIC

SERVICE): Section 5 of the Original Contract is amended in the following manner:

- 5.1 Subsections 5.1.1 and 5.1.2 of Section 5 of the Original Contract are deleted in their entirety and replaced by the following:

"5.1.1 The maximum aggregate rate of delivery for all points of delivery in any monthly billing period shall not exceed the CROD established for that season. The CROD will be available in any hour within the billing period. Western's seasonal CROD to the Contractor for withdrawable and nonwithdrawable firm capacity shall be as set forth in Exhibit A or Exhibit A-1, as the case may be.

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5.1.2 Western's Seasonal Energy: Obligations to the Contractor shall be equal to the product of the Contractor's CROD multiplied by 3,441 kWh per kW in the Summer Season and the product of the Contractor's CROD multiplied by 1,703 kWh per kW in the Winter Season and shall be as set forth in Exhibit A or Exhibit A-1, as the case may be. Except as otherwise agreed by the Parties in writing, the Contractor may not transfer energy from season to season."

Deleted: hereto.

- 5.2 Subsection 5.4 of Section 5 of the Original Contract is deleted in its entirety and replaced by the following:

“5.4 Point(s) of Delivery, Voltage(s), and Loss Adjustments:

Electric service furnished to the Contractor will be delivered at the point(s) and voltage(s) set forth in Exhibit B attached hereto. Any transmission costs and associated losses incurred to deliver said electric service to the PDP point(s) of delivery described in Exhibit B shall be the responsibility of Western. Any transmission costs and associated losses incurred to deliver electric service beyond the PDP point(s) of delivery to the point(s) at which the facilities of the Contractor or the Contractor’s transmission provider are connected to the facilities of Western shall be the responsibility of the Contractor. If Western determines that additional facilities are necessary to deliver electric service beyond the PDP point(s) of delivery to the point at which the facilities of the Contractor or the Contractor’s transmission provider are connected to the facilities of Western, the Contractor shall pay a monthly charge to Western for capacity reserved in such facilities as specified in an exhibit made a part of this Contract. Western may waive the monthly charge provided that the Contractor or the Contractor’s transmission provider pays a monthly interconnection charge for use of such facilities.”

6. MODIFICATION OF SECTION 6 OF THE ORIGINAL CONTRACT

(BILLINGS, PAYMENT, AND SCHEDULE OF RATES): Section 6 of the Original Contract is deleted in its entirety and replaced by the following:

“6. BILLINGS, PAYMENTS, AND SCHEDULE OF RATES:

6.1 Except as provided in subsection 6.2, below, Western shall

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issue to the Contractor, in the month prior to the month the electric service is to be received (i.e. in advance of service), bills for electric service based on the capacity and energy shown in Exhibit A or Exhibit A-1, as the case may be. The Contractor shall pay for the electric service in accordance with Article 13 of the General Power Contract Provisions attached hereto; provided, however, subarticle 13.1 shall not apply. The Parties may also provide for payment in advance of service by such other means as may be mutually agreed to in writing by the Parties.

6.2 The bill issued pursuant to subsection 6.1 on or about September 1, 2004, must include charges for electric service furnished during August 2004 and to be furnished during October 2004. The bill issued pursuant to subsection 6.1 on or about October 1, 2004, must include charges for electric service furnished in September 2004 and to be furnished in November 2004.

6.3 The rate methodology, calculated charges, and conditions shall be as set forth in the current PDP Rate Schedule, attached hereto and made a part hereof, or any superseding rate schedule(s) promulgated pursuant to Article 11 of the GPCPs.

7. MODIFICATION OF SECTION 10 OF THE ORIGINAL CONTRACT

(CONSERVATION AND RENEWABLE ENERGY PROGRAM): Section 10 of the

Original Contract is deleted in its entirety and replaced by the following:

“10. **INTEGRATED RESOURCE PLANS AND SMALL CUSTOMER PLANS:**

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Deleted: “6. **ADVANCE FUNDING, PAYMENT, AND SCHEDULE OF RATES:** ¶

6.1 **Advance Funding:** The Contractor shall advance funds to Western. Such advance funds shall be available for expenditure to pay for Western and Bureau of Reclamation costs associated with PDP electric service as determined by the rates process. The Contractor shall pay no more through advance funding than they otherwise would pay through rates.¶

6.2 Western shall bill and, the Contractor shall advance funds sufficient to pay for electric service a minimum of ten (10) days prior to the month in which service is to be provided.¶

6.3 The rate methodology, charges, and conditions of service, shall be as set forth in the current PDP Rate Schedule, attached hereto and made a part hereof, or any superseding rate schedule.¶

6.4 Billing and payment terms and conditions to pay for firming excess energy shall be as set forth in a separate agreement, pursuant to Section ____ herein.”¶

10.1 The Contractor shall comply with the Integrated Resource Plan (IRP) or Small Customer Plan requirements, as applicable, in accordance with the Energy Planning and Management Program (EPAMP). EPAMP requires purchasers of Western's electric power services to institute integrated resource planning, which is a planning process for new energy resources that evaluates the full range of energy conservation and energy efficiency alternatives.

Deleted: (IRP)

10.2 Western shall administer the IRP or Small Customer Plan requirements, as applicable, in accordance with the EPAMP.

10.3 Failure to comply with the IRP or Small Customer Plan requirements, after exhaustion of all appeals, will result in the application of penalties as specified in the EPAMP Federal Register Notice (65 FR 16801), dated March 30, 2000.

10.4 In the event that Western, or any successor agency, shall promulgate changes to the IRP portion of the EPAMP following its initial adoption as published in the Federal Register at 60 FR 54151, dated October 20, 1995, the Contractor, by written notice to the Contracting Officer within ninety (90) days after the effective date of an EPAMP change, may elect to terminate this Contract. The termination shall be effective one (1) year from the date of receipt of the notice by Western."

8. **DELETION OF SECTION ____ OF THE ORIGINAL CONTRACT (CHARGE FOR FUEL REPLACEMENT ENERGY SERVICE)**: Section ____ of the Original Contract is hereby deleted in its entirety.

9. **MODIFICATION OF SECTION ____ OF THE ORIGINAL CONTRACT**

(GENERAL POWER CONTRACT PROVISIONS MADE A PART OF

CONTRACT): Section 16 of the Original Contract is deleted in its entirety and replaced by the following:

“16. **GENERAL POWER CONTRACT PROVISIONS MADE PART OF CONTRACT:**

16.1 The General Power Contract Provisions (GPCP) effective July 10, 1998, as they may apply, are attached hereto, and are hereby made a part of this Contract, the same as if they had been expressly set forth herein; provided, that if the Articles in the GPCP are in conflict with this Contract, the provisions of this Contract shall control.

16.2 In addition to the forms of notice specified in Article 39 of the GPCPs effective July 10, 1998, for purposes of complying with the notice requirements of this Contract, either the Contractor or Western may accomplish such notice by telecopy or facsimile transmission. Communications related to scheduling provided from and to operating personnel of either Party maybe accomplished by electronic mail. Where telecopy, facsimile, or electronic mail is utilized, the sending Party shall keep a contemporaneous record of such communications.”

10. **MODIFICATION OF SECTION OF THE ORIGINAL CONTRACT**

(EXHIBITS MADE A PART OF CONTRACT): Section 15 of the Original Contract is deleted in its entirety and replaced by the following:

“15. **EXHIBITS MADE A PART OF CONTRACT:**

15.1 Inasmuch as the Seasonal and Monthly Energy obligations,

NERC Holidays, Off-Peak Hours, point(s) of delivery, point(s) of measurement, ownership of metering equipment, delivery and metering voltages and loss adjustments, and metering and associated responsibilities may change during the term of this Contract, they will be set forth in exhibits. Exhibits A, A-1, and B, as applicable, and others, which may be formulated or modified from time to time, are attached to this Contract and each is incorporated by reference as if fully set forth herein.

15.2 Contractor's current Exhibit A, Monthly Delivery Obligations, shall remain in effect, and may be revised from time to time, through September 30, 2008.

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15.3 The Exhibit A-1, Monthly Delivery Obligations, attached hereto, shall become effective on October 1, 2008, and shall remain in effect, and maybe revised from time to time, through September 30, 2028.

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15.4 [A] Exhibit C, Charge for Fuel Replacement Energy Service, is deleted in its entirety."

Deleted: become effective October 1, 2008. On and after October 1, 2008, through September 30, 2028, all references to Exhibit A in Sections 4 and 5 of this Contract, as amended, shall be deemed to refer to Exhibit A-1.

Or, where applicable:

15.3 [B] Exhibit C, Charge for Use of Mead Substation Facilities, is revised according to its terms."

Inserted: On and after October 1, 2008, through September 30, 2028, all references to Exhibit A in Sections 4 and 5 of this Contract, as amended, shall be deemed to refer to Exhibit A-1.

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11. **ADDITION OF A NEW SECTION TO THE ORIGINAL CONTRACT**

(REPLACEMENT ADVANCES RECONCILIATION SURCHARGE): Section __

is hereby added to and made a part of the Original Contract:

“ __. **REPLACEMENT ADVANCES RECONCILIATION SURCHARGE:**

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Contractors that are Party to Western's Advancement of Funds Contract No. 98-DSR-10870, also known as Bureau of Reclamation's Contract

~~No. 8-CU-30-P1148,~~ and have their contractual entitlement to capacity and associated energy from the PDP reduced due to conditions set forth ~~therein,~~ are entitled to receive payments for undepreciated replacement advances as provided therein. Contractors with new PDP allocations or, an increased entitlement to receive electric service shall pay a replacement advances reconciliation surcharge (Surcharge), as determined by Western. Western shall submit bills for and the Contractor shall pay the Surcharge until the Surcharge obligation has been satisfied. The Contractor may remit annual payments over a period of up to five (5) years. Upon request by the Contractor and agreement by Western, the Contractor shall remit payments over a period of less than five (5) years. Interest will be applied on the Surcharge amount at the then current United States Treasury rate, as adjusted from time to time, on the Contractor's declining balance until paid. If the Contractor fails or refuses for any reason to pay the Surcharge, together with interest within sixty (60) days after the date it is due, the Contractor's new PDP allocation or increased entitlement to receive electric service shall be withdrawn, with 60-day advance written notice from Western."

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Deleted: in Contract No. 98-DSR-10870

12. ADDITION OF A NEW SECTION TO THE ORIGINAL CONTRACT

(TRANSFER OF INTEREST IN CONTRACT): Section is hereby added to and made a part of the Original Contract:

" TRANSFER OF INTEREST IN CONTRACT: Notwithstanding any other provision of the contract to the contrary, Western's Administrator reserves the right to adjust Western's firm electric service obligations under this contract as he

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12. ADDITION OF A NEW SECTION TO THE ORIGINAL CONTRACT (EXCESS ENERGY):
Section is hereby added to and made a part of the Original Contract:¶
" EXCESS ENERGY: Western may provide to Contractor, upon Contractor's request, the following services, if and when available, as determined by Western. ¶
1 Excess Energy: Excess Energy is short-term interruptible energy which may be offered to the Contractor, at Western's discretion, if short-term conditions allow. If Western determines that Excess Energy is available and the Contractor elects to purchase Excess Energy, Western will schedule Excess Energy on a monthly basis, up to the Contractor's CROD as set forth in Exhibit A

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or she deems appropriate if the Contractor's status as a customer changes in some manner, including but not limited to (1) merger with another organization, (2) acquisition of or being acquired by another organization, (3) creating a new organizational entity from an existing one, (4) joining or withdrawing from a member-based power supply organization or (5) if the Contractor is a member-based power supply entity (such as a generation and transmission cooperative), losing one or more members from its membership organization.

Deleted: Notwithstanding any other provision of this Contract to the contrary, Western's Administrator may adjust Western's energy or capacity obligations to the Contractor as the Administrator reasonably determines is appropriate if, (1) the Contractor changes its customer status in some manner including merging with another organizational entity, acquiring or being acquired by another organizational entity, creating a new organizational entity from an existing one, joining or withdrawing from a member-based organization, loses its status as a preference entity, or adds or loses members from its membership organization, and (2) the Contractor's obligation to supply electricity to preference entity loads changes as a result."

Inserted: Notwithstanding any other provision of this

Inserted: ontract to the contrary, Western's Administrator may adjust Western's energy or capacity obligations to the Contractor as the Administrator reasonably determines is appropriate if, (1) the Contractor changes its customer status in some manner including merging with another organizational entity, acquiring or being acquired by another organizational entity, creating a new organizational entity from an existing one, joining or withdrawing from a member-based organization, loses its status as a preference entity, or adds or loses members from its membership organization, and (2) the Contractor's obligation to supply electricity to preference entity loads changes as a result."¶

¶
13. ADDITION OF A NEW SECTION TO THE ORIGINAL CONTRACT (

13. ADDITION OF A NEW SECTION TO THE ORIGINAL CONTRACT

(CONTINGENT UPON AUTHORIZATION): Section _____ is hereby added to and made a part of the Original Contract:

"**CONTINGENT UPON AUTHORIZATION:** In order to receive and expend funds advanced from the Contractor necessary for the continued performance of the obligations of the United States under this Contract, additional authorization for the United States, Office of Management and Budget (OMB) may be required. If such additional authorization is needed but not received from OMB, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of OMB to make such authorization."

14. TERM OF THE CONTRACT AMENDMENT: This Amendment shall become effective on the first day of the Federal Fiscal Year following execution, and shall remain in effect and terminate concurrently with termination of the Original Contract, except that:

Deleted: of this Contract. Western shall submit bills and the Contractor shall pay for Excess Energy in accordance with Section 6 and with the rate schedule for Wholesale Firm Power Service, as may be revised from time to time.¶
...2 **Excess Energy Banking:** Excess Energy banking may be offered at the sole discretion of Western. If Excess Energy banking is available, receipt of Excess Energy may be deferred to another time period during the Federal fiscal year. The Contractor shall pay for all additional costs incurred, as determined by Western, in order to defer receipt of Excess Energy to another time period. At the end of the Federal fiscal year, any unused Excess Energy that has not been scheduled to the Contractor shall revert to Western.¶
...3 **Firming Energy:** The Contractor may request Western to firm up E{ ... [1]

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14.1 Section 6 of this Amendment shall become effective as set forth herein.

14.2 Exhibit A-1 shall become effective October 1, 2008.

Deleted: on the first day of the Federal Fiscal Year following the effective date of this Amendment.¶

Inserted: on the first day of the Federal Fiscal Year following the effective date of this Amendment.¶
14.2 Exhibit A-1 shall become effective October 1, 2008

15. **ORIGINAL CONTRACT TO REMAIN IN EFFECT:** Except as expressly modified by this Amendment, the Original Contract shall remain in full force and effect, and this Amendment shall be subject to all provisions of the Original Contract.

16. **AUTHORITY TO EXECUTE:** Each individual signing this Amendment certifies that the Party represented has duly authorized such individual to execute this Amendment that binds and obligates the Party.

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The Parties have caused this Amendment No. 1 to Contract No. _____ to
be executed the date first written above.

DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

By _____
Jean Gray
Title _____ Assistant Regional Manager
for Power Marketing
Address _____ Desert Southwest Regional Office

P.O. Box 6457

Phoenix, AZ 85005-6457

CONTRACTOR

By _____
Title _____
Address _____

of this Contract. Western shall submit bills and the

Contractor shall pay for Excess Energy in accordance with Section 6 and with the rate schedule for Wholesale Firm Power Service, as may be revised from time to time.

___2 Excess Energy Banking: Excess Energy banking may be offered at the sole discretion of Western. If Excess Energy banking is available, receipt of Excess Energy may be deferred to another time period during the Federal fiscal year. The Contractor shall pay for all additional costs incurred, as determined by Western, in order to defer receipt of Excess Energy to another time period. At the end of the Federal fiscal year, any unused Excess Energy that has not been scheduled to the Contractor shall revert to Western.

___3 Firming Energy: The Contractor may request Western to firm up Excess Energy. All costs associated with firming Excess Energy will be paid in advance by the Contractor. Billing and payment terms and conditions for firming Excess Energy shall be agreed to in advance by both Parties. Western shall be under no obligation to make firming purchases if sufficient funds have not been made available in advance by the Contractor.”